



C.L. "BUTCH" OTTER – Governor  
RICHARD M. ARMSTRONG – Director

IDAHO DEPARTMENT OF  
**HEALTH & WELFARE**

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February 13, 2017

*Dear Tribal Representative:*

The purpose of this letter is to give notice that Idaho Medicaid intends to submit a State Plan Amendment (SPA) related to the reimbursement of Medicaid providers that deliver drugs and pharmacy services to Medicaid participants. These revisions are necessary in order to comply with changes to federal regulations at 42 CFR 447 that became law with the 2016 passage of the Covered Outpatient Drug final rule.

While this SPA will impact reimbursements to pharmacies, health facilities dispensing physician-administered drugs, and certain Medicaid providers operating as 340B covered entities, the amendment is not expected to result in any significant and material changes to member benefits under the State Plan.

Most of the changes to the State Plan are intended to clarify the Department of Health and Welfare's use of the appropriate pricing methodologies to provide reimbursement to Medicaid providers, including pharmacies, health clinics, and 340B covered entities. The remainder of the changes will help to align State Plan language and definitions with recent modifications to federal regulations.

We intend to submit the SPA no later than June 30, 2017. The effective date of these changes is April 1, 2017.

Idaho Medicaid's development of the proposed SPA will be reviewed as part of the Policy Update at the next quarterly Tribal meeting, tentatively scheduled for February 15, 2017. Idaho Medicaid is interested in receiving your comments, questions, or suggestions relating to this change. Should you have questions about this letter or the upcoming SPA submission, please contact Clay Lord at (208) 364-1979 or by e-mail at [Clay.Lord@dhw.idaho.gov](mailto:Clay.Lord@dhw.idaho.gov) prior to March 31, 2017.

Sincerely,

MATT WIMMER  
Administrator

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